

CSFI

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The future of risk modelling: A round-table discussion with Patricia Jackson (Ernst & Young), Colin Lawrence (FSA) and Riccardo Rebonato (RBS). To be held on Thursday, January 28, 2010 from 12:30-2:15pm.

One thing's for sure: the financial crisis of the last two years has made us all a lot less willing to accept the claims of quants that we understand risk, that we can model it, and that we can manage and trade it just like any other commodity.

But, by repudiating (implicitly or explicitly) a lot of the quantitative work that was done in the risk area over the last decade, are we in danger of throwing the baby out with the bathwater? What should be the balance between quantitative and qualitative analysis? And how can we recalibrate models so that they incorporate what has been learned from the crisis - and don't lead us back to the kind of overconfidence in numbers that contributed to the crisis in the first place?

These are tricky issues, and we are delighted that we have been able to put together a top-level panel from both sides of the fence:

- Colin Lawrence is director of prudential risk management at the FSA. Colin joined the FSA two years ago from IBM. Before that, he was with Republic National, Barclays and UBS. He has a PhD from Chicago, and taught at Columbia.
- Patricia Jackson leads the prudential (ie capital and liquidity) practice for Europe, the Middle East, India and Africa at Ernst & Young, which she joined in 2004 from the Bank of England, where she was head of the financial industry and regulation division. She was one of the early developers of risk modelling techniques such as VaR and has published a number of papers on risk modelling.
- Riccardo Rebonato is head of front office market risk management and quantitative analytics at RBS. He is also a prolific author; his most recent books are *Plight of the Fortune Tellers* and *Coherent Stress Testing*.

If you or a colleague would like to join us for what I am sure will be a stimulating defence of the risk management profession, please let us know by calling the office on 020 7493 0173 or emailing sophie@csfi.org.uk. As usual, wine and sandwiches will be provided.

Sincerely yours,

Andrew Hilton
Director
CSFI